

Testimony of Dan Goossen, President of America Presents Boxing, LLC
May 23, 2001

Good morning and thank you for inviting me to participate in these necessary efforts to make changes in the way our industry conducts its affairs. My name is Dan Goossen and I am President of America Presents. We promote in excess of 40 events a year Worldwide. I have been involved in boxing for over 20 years and was the only Promoter serving on the NAAG Boxing Task Force which formulated recommendations ultimately incorporated within the Muhammad Ali Boxing Reform Act.

I had the honor of speaking before this Committee approximately two years ago. Since that time, under the guidance and leadership of Senator McCain and your Committee, the Muhammad Ali Boxing Reform Act was enacted into law. The principal stated purposes of the Ali Act are:

- (a) to protect the rights of professional boxers by preventing exploitive, oppressive and unethical business practices;
- (b) to assist State Boxing Commissions in their efforts to provide more effective public oversight; and
- (c) to promote honorable competition in professional boxing and enhance the overall integrity of the industry.

I am here today to offer my thoughts on certain aspects of the Act and, more importantly,

recommendations responsive to accomplishing the overall stated purposes of the Ali Act. We should all understand that the Act and its implementation is a work in progress, a law which will evolve over time.

My objective today is not to get very specific in these discussions. Our company would be pleased to submit supplemental documentation addressing specific provisions of the Ali Act and suggestions to best accomplish the stated purposes. What I will do before this Committee today is to outline examples whereby some form of intervention appears necessary to ensure that our industry regains the necessary public confidence, as well as briefly discuss certain gains that the Ali Act has accomplished since its inception.

The requirement for each professional boxer to have a Federal identification card in all jurisdictions permitting the various Boxing Commissions to act in a reciprocal manner to cross-reference fight records, health considerations and other important criteria pertaining to the boxer has been a tremendous asset to the industry. The awareness of the requirements to comply with the Act has also enhanced honorable competition in boxing.

Along with these accomplishments, we strongly support a form of National Commission that will have at its helm an individual or individuals of unquestionable integrity, character and knowledge of the boxing industry. Specifically, as part of this National Commission, we would support binding arbitration whereby massive paperwork and clouding of the issues can be minimized permitting a

knowledgeable authoritative body to address specific relevant issues as opposed to ancillary and sometimes irrelevant factors.

The goal of preventing coercive contracts, conflicts of interests and other areas outlined in the Ali Act can be enforced with a National Commission overseeing compliance. In the absence of a national governing commission, the legislation is adversely affecting promoters that have acted properly, but seemingly not impacting those promoters with the substantial financial wherewithal to act first, and deal with the legal consequences secondarily. The recent activity in the Heavyweight Division is potentially a circumstance whereby “deeper pockets” and the legal system are being utilized as a sword in lieu of honorable and ethical business practices.

The Ali Act addresses “coercive contracts, “ and limits the timeframe in which the promoter of a boxer can receive so-called “options” on an opponent challenging such promoter’s boxer. Simply stated, the Ali Act prohibits the granting of options to the promoter of an opponent extending beyond one year. This provision is circumvented by certain promoters simply not offering a deserving opportunity to a boxer that the promoter does not have under a promotional agreement. By further example, promoters have attempted to include in its own agreements language whereby a boxer is, in essence, waiving any such coercive tactics!! Moreover, there are boxers that are required to extend the term of their promotional agreement every time the boxer steps into the ring, despite the existence of a promotional agreement with a stated expiration date with his promoter. It is a regular practice among certain promoters with the financial wherewithal to withstand the scrutiny and potential legal

consequences.

Another area specifically addressed in the Ali Act are conflicts of interest and the need for a firewall between promoters and managers. I want to be the first to say that a family relationship alone should not create a conflict of interest, but the manner in which it is implemented and the existence of separate financial arrangements between such family members, which are not disclosed to the boxer certainly may create a conflict of interest and the Act should have a remedy short of having to proceed through the judicial system in a costly and time prohibitive manner.

In conjunction with certain of the intentions of the Ali Act, the promoter also needs his protection/rights upheld by the boxer pursuant to their Agreement. A boxer may refuse to participate in a bout unless he receives, what he rightfully considers, to be fair market value. In certain instances, however, such financial requests are not based upon the economic reality of the particular event and as a result promoters are faced with unreasonable financial requests or refusals to accept bouts by boxers. Such consequences create potentially legal considerations whereby a boxer may assert that the promoter has failed to provide agreed upon bout opportunities of which, once again, the only recourse is the judicial system. An example once again is the recent activity in the Heavyweight Division whereby a boxer tried to leave a promoter two years ago at the behest of another promoter, substantial dollars were expended to prevent such unlawful acts and that case is still ongoing, and now similar circumstances exist today with the same parties.

If there is one area that this Committee, in our opinion, should emphasize as a priority is to ensure the purposes of the Ali Act are being enforced through the establishment of a National Commission. Our industry is litigious by nature, and the manner in which litigation is used to the detriment of ethical business practices must be addressed. Any legislation proposed or enacted by this Committee without some sort of dispute resolution system is easily thwarted. While litigation is present in every industry, it is much less existent in other major sport industries. Litigation in the boxing industry has become a “free for all” where deep pockets and boxer sympathies seem to prevail, to the exclusion of valid agreements. This is where Federal legislation is needed to establish a National Commission to foster good and ethical business practices. Nothing else will work. In one fell swoop, this Committee would put all licensees, promoters and boxers on equal footing. No promoter should have a legal disadvantage based on not having “deep pockets,” and no boxer should hold an edge based upon perceived sympathies irrelevant to the merits of the case at hand.

A National Commission with the proper authority would immediately take boxing out of the courtroom and all licensees would be required to abide by the letter of the law and established and enforceable rules and regulations of such National Commission, or suffer the consequences for violations.

Furthermore, the leadership values of a Marc Ratner, the current Executive Director of the Nevada Athletic Commission and uniformly accepted as a person of unquestionable integrity, knowledge and character, would be a tremendous choice to head up a National Commission. This

would be the single most significant change this Committee could do to bring boxing into the 21st century. This would create an equal playing field and one that would not tolerate violations inconsistent with the purposes of the Act.

We request that your Committee immediately seek implementing changes necessary to once again reestablish the public trust in our sport and that the promoters, as well as everyone else associated with the sport, be responsible and accountable for their actions in a uniform and consistent manner whereby the deceptive and coercive practices by some are reprimanded from the violative practices and that the free market system that applies to other business, not only the sports industry, can be applied to the boxing industry.

I thank you once again for your time and honor of speaking before this Committee.
